

TENTATIVE RULING

ISSUED BY JUDGE LAURA S. TAYLOR

Debtor: PEPPERTREE PARK VILLAGES 9 AND 10, LLC

Number: 17-05137-LT7

Hearing: 10:00 AM Wednesday, August 24, 2022

Motion: MOTION FOR ORDER CONFIRMING PROPERTY IS VESTED IN BANKRUPTCY ESTATE FILED ON BEHALF OF GERALD H. DAVIS

GRANT. The Court grants the chapter 7 trustee's unopposed motion for an order confirming that the property of Debtor Peppertree Park Villages 9 and 10, LLC, has revested in the bankruptcy estate. The motion is well supported by the facts and law, including *In re Consol. Pioneer Mortg. Entities*, 264 F.3d 803, 807 (9th Cir. 2001) ("Despite the fact that the Joint Plan in this case did not specifically provide that remaining assets would revest in the estate in the event of conversion, it (1) contains explicit provisions regarding the distribution of liquidation proceeds to the investors, the plan's primary beneficiaries; and (2) gives the bankruptcy court broad powers to oversee implementation of the plan.").

The intention of the Court in confirming the plan and converting the case and the understanding of the parties in conversion was that PPV's property would revest in the estate in order to sell the property for the benefit of the creditors. Although the confirmed plan does not specifically revest property in the estate, in the case of default under the plan, it provides for potential conversion of the case "or other appropriate relief as the Bankruptcy Court may determine as appropriate." Dkt. No. 650 (Confirmed Plan, Article XIII, §13.4). In the case of default due to failure of the sale of Units 9 and 10 to occur by a certain date, the plan provides for the sale of the "assets of such Debtors' estates and distribut[ion of] the proceeds in accordance with the Bankruptcy Code." *Id.* That provision implies that the plan intended to revest Debtor's property in the estate in the case of the failure to sell Units 9 and 10 by the plan deadline and a related decision to convert the case to chapter 7. Debtor did not meet that plan deadline. The plan further provides the Court broad jurisdiction over the plan, including to remedy an omission in the plan in order to carry out its intent and purposes; to determine ownership of the assets of Debtors, Reorganized Debtors or the Estates; and to remedy any breach or default under the plan. Dkt. No. 650 (Confirmed Plan, Article XII).

Appearances at the August 24, 2022, hearing in connection with this motion are excused, and the trustee may upload an order.